



# SPOTLIGHT

A publication focusing on loss prevention information from the Risk Management Division of Washington State's Office of Financial Management

## RISK MANAGEMENT DIVISION OFFICE OF FINANCIAL MANAGEMENT

Lucy Isaki, Sr. Asst. Director & Legal Counsel

John Nicholson, Risk Management Coordinator

Jolene Bellows, Spotlight Editor

## CONFERENCE HIGHLIGHTS EFFECTIVE RISK MANAGEMENT

"Shifting the Odds: Effective Risk Management" was the focus of the OFM's Leadership Risk Management conference held December 9, 2005 at St. Martin's University in Olympia and attended by 160 agency directors, executive staff, and risk managers.

Office of Financial Management Director, Victor Moore, opened the conference that featured a distinguished list of speakers and experts in risk management. In addition to remarks from Governor Christine Gregoire and Attorney General Rob McKenna, a panel of agency

risk management practitioners shared their risk management approach. The panel included Elizabeth Cherry, Risk Manager, University of Washington; Harold Clark, Secretary, Department of Corrections; Joe Dear, Executive Director, State Investment Board; and Gary Robinson, Director, Department of Information Services.

*"No matter how far you are down the wrong road, turn back."*

The Governor highlighted the need for agencies to evaluate their incidents and make changes, citing a proverb, "No matter how far you are down the wrong road, turn back." Lori Jorgensen, Senior Director-Finance, Microsoft; Grace Crickette, Chief Risk Officer, University of California; and Deborah Luthi, Director, Risk Management Services, University of California-Davis addressed the audience on the subject of enterprise risk management.

A highlight of the conference was presentation of the "ORCA" (Outstanding Risk Reduction Commitment and Achievement) awards. Marty Brown,

Legislative Director, Office of the Governor, presented the statuette featuring a favorite Northwest, and the Washington State marine mammal—the Orca whale. See page two for a list of the ORCA award categories and winners.

Those unable to attend the conference will be pleased to know that all conference materials and presentations are available on the RMD website at <http://www.ofm.wa.gov/rmd/default.asp>. Click on "Shifting the Odds Effective Risk Management".

## RISK FINANCE REVIEW

*Much has been written about the subject of vicarious liability. The following is a brief explanation of this term.*

**Vicarious liability** – This term is commonly used to refer to the liability exposure of an employer arising from the acts of an employee. The employer/employee relationship can create an indirect legal responsibility for the employer.

Vicarious liability can also result from the acts of independent agents, partners, contractors and children.

*Debut of the Legal Links column has been delayed until the Spring 2006 edition.*

## FAST FACTS

It's still early for 2005 statewide vehicle accident cost figures. However, an early comparison of the 2004 and 2005 yearly totals for number of state vehicle accidents for the period January 1 - December 31 revealed the following for selected accident types\* —

Selected Accident Type	2004	2005
Collisions-Rear ended	65	47
Collisions - Parked	78	65
Head-on	3	0
Intersection	45	15
Collision -Sideswiped	32	32

\*For a data run as of 2-13-06

Bryan Bazard, Fleet Manager for the Department of General Administration's Washington State Motor Pool is pleased to report that in 2005—for the third consecutive year—there were zero SUV rollover accidents to State Motor Pool vehicles. In 2001 there were five State Motor Pool SUV rollover accidents, dropping to four in 2002, and to zero in 2003.





## Senior Assistant Director Lucy Isaki Welcomed to Risk Management Division



The Risk Management and Contracts Division welcomed Lucy Isaki as its Senior Assistant Director in January 2006. Most recently, Ms. Isaki was a Senior Assistant Attorney General with the Administration Division of the AGO. She managed and

retained private lawyers working on multi-million dollar benefits cases involving pharmacies and hospitals, as well as managing other complex legal cases.

She graduated from Seattle University and University of Puget Sound law schools. Her early years in the legal profession took her from a law clerk at the Washington Supreme Court to partnership in a private Seattle law firm. In 2000, she shifted interest to public sector law and was tapped by then Attorney General Christine Gregoire to handle complex high profile cases for the state. While not directly involved in all activities of the 2001 Governor-Attorney General Risk Management Task Force, Ms. Isaki participated in some related work at the Attorney General's Office. "The Risk Management Task Force was a great effort and opportunity that led to more aggressive examination of cases that could be settled, and done so in a principled way," said Ms. Isaki.

"I'm excited to be here," she said, noting projects like the loss prevention initiative designed to eliminate or fine-tune loss, and the impending launch of a new risk management information system as the source of that excitement. Early case resolution and legal cost containment are important areas she will be addressing. In addition to overseeing the daily operations of the Contracts and Risk Management Divisions, she provides specialized assistance to Governor Gregoire.

Lucy lives in Seattle with her husband Paul Isaki who works for the Port of Seattle. They both enjoy travel, the theater, and opera. She sits on or chairs a number of boards, including the Northwest Kidney Centers.

## AND THE ORCA WINNER IS...

A highlight of the December 9, 2005 "Shifting the Odds: Effective Risk Management" conference was presentation of the ORCA awards for *Outstanding Risk Reduction Commitment and Achievement*. Categories included awards for program and individual achievement. Award categories, nominees, and winning recipients are listed below.

**PROACTIVE MANAGEMENT AWARD** – "Recognizing an outstanding agency program or initiative that takes an enterprise-based approach to managing risk."

**WINNER: SOCIAL AND HEALTH SERVICES: ECONOMIC SERVICES ADMINISTRATION**

Nominees: Washington State Patrol, Office of the Chief, Chief's Challenge Program; Department of Social and Health Services, Economic Services Administration, Incident Review Pilot Program; University of Washington, University Complaint Investigations and Resolution Office Program; Employment Security Department, Automobile Accident Reduction Program; State Board for Community and Technical Colleges, Risk Management Coordination Program.



The ORCA award presented at the RMD December 2005 Conference.

**SUSTAINED ACHIEVEMENT AWARD** – "Bestowed on an agency's comprehensive risk management program and approach that demonstrates consistent and effective management of exposures, incidents and outcomes".

**WINNER: DEPARTMENT OF TRANSPORTATION**

Nominees: Western Washington University; Department of Transportation; and Department of Ecology.

**PIONEER AWARD** – "Acknowledges the agency director or employee who identifies a risk management related need and takes meaningful action to address it".

**WINNER: HAROLD CLARK, SECRETARY, DEPARTMENT OF CORRECTIONS**

Nominees: Dennis Anderson, Risk Manager, Department of Health; Harold Clark, Secretary, Department of Corrections; Kathy Rosmond, Office of Financial Management; Eva Santos, Director, Department of Personnel; Rene Tomisser, Senior Counsel and DOT Trial Team Leader, Torts Division, Attorney General's Office.

**RISK MANAGER'S AWARD** – "OFM Risk Management Executive Team's recognition of an agency employee responsible for risk management activities who has effectively and creatively promoted risk management within the agency, and also provided leadership in the state related to risk management".

**WINNER: PAUL MUELLER, WESTERN WASHINGTON UNIVERSITY**

Nominees: (all risk managers) William Henselman, Department of Transportation; Larry Keller, Department of Ecology; Carole Mathews, Department of Labor and Industries; Paul Mueller, Western Washington University; and Linda Ramsey, Military Department.

**FOR DIRECTED DARING** – "Awarded to the agency leader demonstrating a clear commitment to improving the quality and concept of enterprise risk management within his or her agency".

**WINNER: JOHN BATISTE, CHIEF, WASHINGTON STATE PATROL**

Nominees: John Batiste, Chief, Washington State Patrol; Joe Dear, Executive Director, State Investment Board; Liz Luce, Director, Department of Licensing; Gary Robinson, Director, Department of Information Services; and Brian Sonntag, State Auditor.



## Risk Management Practicum Conference Planned for Fall

As a follow-up to its December 2005 Risk Management Conference, the Risk Management Division is planning a Risk Management "Practicum" Conference in October 2006 for agency managers. This conference will focus on practical application of risk management and loss prevention models.

The conference will be held **October 12, 2006 at the Tyee Center in Tumwater**. Mark your calendars now as seating will be limited. Watch *Spotlight* for more details on this conference.